

**WRITTEN TESTIMONY
OF
DOUGLAS REED OF GREEN DIAMOND RESOURCE COMPANY
BEFORE THE UNITED STATES HOUSE AGRICULTURE COMMITTEE
JULY 13, 2022**

Chairwoman Spanberger, Ranking Member LaMalfa, and distinguished Members of the House Agriculture Committee, on behalf of Green Diamond Resource Company and the National Alliance of Forest Owners (NAFO), thank you for the opportunity to testify on the impacts of the 2018 Farm Bill on private working forests.

Introduction

My name is Douglas Reed, and I am President of Green Diamond Resource Company, a forest products company started by my great- great-grandfather outside Shelton, Washington, in 1890. Today, our company owns working forests in Washington, Oregon, Montana, and California. A subsidiary, Green Diamond Management Company, provides forest management services in the U.S. South and West. Like many U.S. forestry companies, Green Diamond's forests are third-party audited and certified by sustainable forest management certification systems.

Green Diamond's long-term commitment to forest stewardship is at the heart of how we run the company. Our forest management is guided by experience and backed by science. Through a continuous cycle of growth, harvest and regrowth, we can ensure that our forests, and therefore our business, will continue to thrive for another 130 years. Our forests provide environmental, social, and economic benefits for the communities where we operate today, and our mission is to ensure that remains true for many generations to come. This commitment is reflected in our day-to-day forest management and in the many innovative, voluntary forest and wildlife conservation programs implemented across our timberlands.

More than one-third of the United States is covered by forests, and 47% of U.S. forests are privately owned working forests – forests owned by families, businesses, and investors. Private working forests provide clean air and water, wildlife habitat, and jobs through market demand for forest products. These forests are sustainably managed to supply a steady, renewable supply of wood for lumber, plywood, energy, paper, and packaging, providing more than 5,000 items that consumers use every day. U.S. private working forests support [2.5 million American jobs](#), mainly in rural communities.

Today, I'd like to focus on the impact of the 2018 Farm Bill on working forests and our contributions to the U.S. economy, environment, and climate mitigation.

Importance of Private Working Forests & Wood Products to the Climate

Working forests are a critical natural climate solution due to their natural ability to sequester and store carbon. Maximizing the climate mitigation benefits from private working forests involves three key elements: 1) Strong forest products markets to maintain and increase private working forests on the landscape and continue investment in their health, resilience and productivity; 2) Improved tools and market-based approaches to expand forest carbon sequestration and storage; and 3) Advancements in the use of long-lived wood products and the underlying analysis needed to compare these products with more carbon intensive alternatives. Together, sustainably managed working forests and the forest products they produce are already one of

our nation's greatest assets for achieving our climate goals: U.S. forests and forest products offset 15% of the nation's annual industrial carbon emissions.

At just under half of the nation's forest land base, private working forests tell a remarkable carbon story: they provide 90% of domestic timber harvests, while also providing [80% of our nation's annual net carbon sequestration](#) and nearly 50% of our long-term carbon storage. To put this in context, [working forests annually sequester more carbon than is emitted by all U.S. passenger vehicles each year](#). In addition, durable wood products – like homes, buildings, and furniture – store significant amounts of carbon long-term. As a natural material, forest products are recyclable, biodegradable, and renewable. When used to displace more fossil fuel intensive materials, forest products can play a critical role in reducing net atmospheric carbon over time. Healthy markets for forest products, and the continuous cycle of growth, harvest, and regrowth, enable private forest owners to maximize the climate mitigation power of their forests, wood products, and the carbon benefits they provide.

Sustainably managed private working forests are more than capable of meeting additional demand for wood. Each year we harvest about 2% of our working forest land base, while also replanting or regenerating an equal acreage. Replanting and natural regeneration after harvest quickly restarts the growth process and reestablishes the sequestration and storage capacity on the land. [According to the USDA](#), from 1953 to 2011, in a time of expanding population and increasing demand for homes, paper products, and energy, the total volume of trees grown in the U.S. increased by [60%](#). Today, private forest owners [are growing 43% more wood than they harvest](#).

There are also other important environmental benefits provided by private working forests. Water supplies for many urban and rural communities around the country originate in and pass through forested watersheds, where forests act as a natural filtration system for [nearly 30% of the water we drink](#). Private working forests also play an important role in keeping abundant species abundant, while also conserving at-risk and declining species. Access to these forests is vital to wildlife conservation, as [60% of our nation's at-risk species rely on private forestland for survival](#). Collaborative conservation efforts such as NAFO's [Wildlife Conservation Initiative](#) can benefit species while keeping private working forests working.

I am proud that private working forest owners like Green Diamond are leading the way in pursuing natural climate solutions. Recently, I joined the leaders of 42 other leading U.S. forest-owning companies, NAFO, The Nature Conservancy, the Environmental Defense Fund, American Forests, and the American Forest Foundation to adopt a unique set of [Principles on Private Working Forests as a Natural Climate Solution](#). These "CEO Principles" express our common vision for increasing the climate mitigation of sustainably managed private working forests and sustainably produced solid wood products through market and incentive-based approaches.

Through NAFO, private working forest owners can speak with one voice to policymakers, and we are actively engaged in the Farm Bill, bringing nearly 50 member companies and over 46 million acres of sustainably managed working forests – an area larger than my home state of Washington – to the table. NAFO is a part of the Forests in the Farm Bill Coalition, an important group led by several of the organizations here with us today. NAFO is an active member of the Forest-Climate Working Group, which provides a unified voice within the forestry community for advancing forest climate policy. NAFO is also a founding member of the Food and Agriculture Climate Alliance, which works across the working lands community to advance broader climate mitigation solutions.

Climate and Carbon Data in the Farm Bill

The USDA's Forest Inventory and Analysis (FIA) program, a central component of the Forest Service's research program, provides vital information on our nation's forest resources. FIA's forest data and analysis is national in scope and consistently measured across ownerships every year, providing a common source of reliable information for an increasing number of stakeholders. Private forest owners rely on and reference FIA data and analyses to make decisions, and as interest in forests and forest carbon grows, so too does our need for information from FIA. At Green Diamond, we have actively pursued carbon sequestration opportunities, and we have projects approved or in progress in four states: Alabama, California, Oregon, and most recently Montana. Key to fostering this type of work is reliable data to ensure that what we project will happen actually comes to pass.

FIA serves as the authoritative data source for our nation's forests and forest carbon measuring, monitoring, reporting and verification. Yet, there are inconsistencies in data measurement cycles across geographies, and new remote sensing technology remains hard to integrate with FIA's existing approaches. Despite attention in the 2018 Farm Bill and increases in funding since then, the current design and capabilities of the program are unable to meet growing needs. Simply put, the world has changed since 2018. Demand for forest carbon data has skyrocketed as the power of forests to address climate change has attracted attention and investors. Increased adoption of remote sensing in private data collection has increased demand for the same from FIA. Finally, we are seeing disturbances like wildfire and hurricanes at a rate not seen before, meaning that the 7- to 10-year remeasurement cycles used by FIA are not keeping up with the rapid changes our forests are experiencing.

In particular, I recommend Congress direct the USDA and the Forest Service to:

- Establish a national 5-year measurement cycle (including the Intermountain West and Alaska) for base grid data collection and analysis with nationally consistent field protocols for measurement and analysis. This will lead to improved data uniformity and greater certainty in carbon estimation, allowing for more accurate analysis of the resource and carbon impacts of management decisions.
- Standardize protocols for national data collection and analysis and for measurement variables, and standardize previously reported data to include estimates from the Intermountain West and Alaska. This will lead to more credible and consistent information.

I encourage Congress to provide additional direction and resources to ensure the FIA program has the strategic direction needed to provide updated, accurate, and reliable information on the status and trends of our forested resources. These changes should be additive, not taking away from the good work FIA is already doing. Green Diamond and NAFO stand ready to offer insight and recommendations into how to bolster this important program.

Sustainable Wood Construction in the Farm Bill

Half the dry weight of wood is stored atmospheric carbon. When sourced from sustainably managed forests, long-lived wood products act as carbon vaults, storing carbon and keeping it out of the atmosphere for the full lifecycle of the product. Wood products in the U.S. currently store [nearly 9.8 billion metric tons of CO₂e](#), which is more than [twice the amount of carbon stored in all National Parks combined](#).

The 2018 Farm Bill recognized the importance of sustainable wood construction, and I recommend this continue into the 2023 Farm Bill. Specifically, the Timber Innovation Act leveraged various Farm Bill programs to advance sustainable wood construction, and it has made a significant impact. There are now over 1,300 mass timber buildings being designed, under construction, or built in the U.S., representing a 50% increase from July 2020 to December 2021, [according to WoodWorks](#). Yet, despite this progress and continued demand for better, more climate-friendly housing and infrastructure, the U.S. is behind on mass timber production and use. In the 2023 Farm Bill, Congress should build on the Timber Innovation Act to expand opportunities for sustainable wood construction, leveraging the Forest Products Lab and programs like Wood Innovation Grants. The 2023 Farm Bill can reduce carbon emissions and increase carbon storage through support for building with wood. We look forward to providing specific recommendations in the coming months, together with the American Wood Council and other partners.

Buildings are responsible for 39% of global carbon emissions and traditional building materials require a lot of fossil fuel energy to produce. [Steel and concrete produce 15% of global emissions](#), which is more emissions than any nation on earth [with the exception of the U.S. and China](#). New engineered wood products, like mass timber, offer economic, social, and environmental benefits. Building with wood is a powerful solution for avoiding emissions and storing carbon to maximize the value of our investment.

Wood is a safe, durable, and efficient building material, storing carbon for the entire life of the building and because it is biodegradable and easily recycled, wood does not pose environmental challenges at the end of a building's life. Mass timber uses wood panels that are pre-built and then easily assembled with fewer trucks and equipment, with little to no construction site waste. Mass timber has been shown through research to be blast-resistant, fire-resistant, and earthquake-resistant. Increasing use of wood in buildings can reduce construction emissions by [up to 44% while also storing significant amounts of carbon in wood panels and assemblies](#) adding tangible value to the building. Mass timber can also be grown locally as a domestic building material supporting American jobs.

Sustainable forest management ensures increased use of wood in construction truly achieves climate, carbon, and other positive environmental outcomes. Third-party certification systems ensure sustainable practices in support of climate benefits. In the U.S. certification includes programs to certify forests to a forest management standard, chain of custody certification programs, and responsible wood fiber sourcing programs provided by the [Sustainable Forestry Initiative](#), the [American Tree Farm System](#), and [Forest Stewardship Council](#). We were pleased to see the clarification in the 2018 Farm Bill to give all qualified certification programs equal treatment in any federal procurement or other climate change policy involving private working forests. This is an important clarification and should be carried forward in all future Farm Bills.

Wildfire in the Farm Bill

Beginning in early July 2021, the Bootleg Fire in southern Oregon, the third largest wildfire in Oregon's history, devastated a drought-stricken landscape. Among the 413,000 acres that burned were some 110,000 acres of Green Diamond timberland. We literally watched years of investment and work go up in smoke.

Increasingly intensive fire seasons severely impact the environment, local and regional economies, and public health and safety. Federal, state, and local forest owners and managers

have a shared stewardship responsibility to protect natural resources and the communities that depend on them, especially during fire season. Yet worsening fire seasons are making stewardship objectives more difficult to achieve. Despite increases in federal firefighting resources, local fire officers and incident commanders often face difficult choices on how to best deploy limited personnel and equipment to attack and extinguish fires during the height of fire season. I would like to commend Chief Moore for rising to the occasion and sending important signals to those in the field about fundamental changes in approach by the Forest Service this fire season.

To help address these challenges, the U.S. Forest Service and private forest owners are taking a new and innovative approach with the objective of better protecting private lands that are providing significant climate and other public benefits. Private forest owners with holdings in western states are partnering with the Forest Service to provide private resources, including people, equipment, and knowledge of local terrain and conditions, to fight fire in areas across ownerships. This partnership will give field officers and incident commanders more tools to keep fires more manageable and less dangerous, local knowledge and experience to maintain safe firefighting operations, and help to better identify and evaluate safety risks and opportunities. It will also enable federal, state, and private forest owners to better achieve outcomes that protect the resources and communities in their shared stewardship.

Development of this partnership is currently underway and will be commemorated in a memorandum of understanding between the parties. We all want to be good neighbors and by working together, we can protect our forest resources, private property, local jobs, and our local communities. I appreciate that Green Diamond has been included in the Wildland Fire Mitigation and Management Commission created in the bipartisan Investing in Infrastructure and Jobs Act. We look forward to working with the Forest Service this summer, and we are committed to using all available public and private resources to help put the fires out.

Conclusion

The true scale of our forests' climate impact is hard to fathom. My colleagues at the National Alliance of Forest Owners have put together a forest carbon data visualization – available at ForestCarbonDataViz.org – that uses publicly available EPA and USDA Forest Service's FIA data to show the enormous carbon contributions of private working forests and solid wood products. We are proud of the climate mitigation work we do, as private working forest owners.

Thank you again for conducting this hearing. The 2018 Farm Bill made important strides in advancing policies to improve carbon data, increase sustainable wood construction, and address the wildfire crisis. The 2023 Farm Bill can do even more. Green Diamond Resource Company and the National Alliance of Forest Owners stand ready as a resource to this Committee as it addresses the upcoming Farm Bill and the solutions private working forests can offer.

Douglas Reed is the President of Green Diamond Resource Company, a family-owned timber company established in 1890. Mr. Reed joined Green Diamond in February 2012 and served as the Senior Vice President, California Operations, until his promotion to President on January 1, 2014. Since 2014, Green Diamond has exited its lumber manufacturing and distribution businesses; partnered with institutional investors to acquire and manage more than half a million acres in the US South; and entered the regulated carbon offset market.

Prior to joining Green Diamond, Mr. Reed was Vice President and General Manager of Simpson Lumber Company, overseeing more than a billion board feet of lumber capacity.

Before joining Simpson, Mr. Reed worked as a management consultant for the strategic advisory firm McKinsey and Company. Mr. Reed holds a bachelor's degree in History from Princeton, 1998, and an MBA from Stanford, 2004.

Truth in Testimony Disclosure Form

In accordance with Rule XI, clause 2(g)(5)* of the *Rules of the House of Representatives*, witnesses are asked to disclose the following information. Please complete this form electronically by filling in the provided blanks.

Committee: Agriculture

Subcommittee: Conservation and Forestry

Hearing Date: 07/13/2022

Hearing Title :

"A 2022 Review of the Farm Bill: Forestry"

Witness Name: Douglas Reed

Position/Title: President

Witness Type: Governmental Non-governmental

Are you representing yourself or an organization? Self Organization

If you are representing an organization, please list what entity or entities you are representing:

Green Diamond Resource Company is a privately held forest products company with roots dating back to 1890. Today, the company owns working forest lands in Washington, Oregon, Montana, and California. A subsidiary, Green Diamond Management Company, provides forest management services in the U.S. South and West. All lands owned and managed by Green Diamond are independently audited and certified for sustainable forest management. More information about Green Diamond's environmental leadership may be found at www.greendiamond.com.

FOR WITNESSES APPEARING IN A NON-GOVERNMENTAL CAPACITY

Please complete the following fields. If necessary, attach additional sheet(s) to provide more information.

Are you a fiduciary—including, but not limited to, a director, officer, advisor, or resident agent—of any organization or entity that has an interest in the subject matter of the hearing? If so, please list the name of the organization(s) or entities.

Yes

President, Green Diamond Resource Company
Board of Trustee, The Nature Conservancy Washington
Director, Olympia Oyster Company
Chair, National Alliance of Forest Owners

Please list any federal grants or contracts (including subgrants or subcontracts) related to the hearing's subject matter that you, the organization(s) you represent, or entities for which you serve as a fiduciary have received in the past thirty-six months from the date of the hearing. Include the source and amount of each grant or contract.

Green Diamond received Forest Legacy grant funds
Project: East Mason FLCP Phase III (2020)
Location: Mason County, WA
Amount: \$5,033,000

Please list any contracts, grants, or payments originating with a foreign government and related to the hearing's subject that you, the organization(s) you represent, or entities for which you serve as a fiduciary have received in the past thirty-six months from the date of the hearing. Include the amount and country of origin of each contract or payment.

None

Please complete the following fields. If necessary, attach additional sheet(s) to provide more information.

- I have attached a written statement of proposed testimony.
- I have attached my curriculum vitae or biography.

* Rule XI, clause 2(g)(5), of the U.S. House of Representatives provides:

(5)(A) Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof.

(B) In the case of a witness appearing in a non-governmental capacity, a written statement of proposed testimony shall include—
(i) a curriculum vitae; (ii) a disclosure of any Federal grants or contracts, or contracts, grants, or payments originating with a foreign government, received during the past 36 months by the witness or by an entity represented by the witness and related to the subject matter of the hearing; and (iii) a disclosure of whether the witness is a fiduciary (including, but not limited to, a director, officer, advisor, or resident agent) of any organization or entity that has an interest in the subject matter of the hearing.

(C) The disclosure referred to in subdivision (B)(iii) shall include— (i) the amount and source of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) related to the subject matter of the hearing; and (ii) the amount and country of origin of any payment or contract related to the subject matter of the hearing originating with a foreign government.

(D) Such statements, with appropriate redactions to protect the privacy or security of the witness, shall be made publicly available in electronic form 24 hours before the witness appears to the extent practicable, but not later than one day after the witness appears.